

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Net Assets
December 31, 2004

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and pooled investments	\$ 147,477,291	\$ 62,653,664	\$ 210,130,955	\$ 99,951,805
Receivables:				
Property taxes	101,733,052	12,552,799	114,285,851	-
Accrued interest	1,069,072	304,347	1,373,419	254,732
Trade accounts, net	9,740,769	8,637,480	18,378,249	6,936,656
Special assessments	-	-	-	87,730,604
Inventories	339,593	-	339,593	3,178,334
Due from other governments	6,009,303	8,727,288	14,736,591	10,198,515
Internal balances	513,810	(513,810)	-	-
Due from fiduciary funds	2,113,077	4,743,407	6,856,484	-
Due from component units	4,326,303	-	4,326,303	-
Due from funds with different year end dates	-	-	-	-
Surplus property	-	-	-	62,639
Capital assets, net:				
Assets being depreciated	134,827,859	2,463,239	137,291,098	673,956,169
Assets not being depreciated	22,708,703	93,259	22,801,962	172,566,707
Other assets	1,057,040	3,225,817	4,282,857	1,394,588
Total assets	431,915,872	102,887,490	534,803,362	1,056,230,749
LIABILITIES				
Accounts payable and accrued liabilities	11,462,522	6,200,056	17,662,578	12,089,355
Accrued wages payable	91,495	25,492	116,987	948
Accrued interest payable	628,837	-	628,837	389,407
Deposits	-	-	-	-
Due to fiduciary funds	1,026	104,140	105,166	-
Due to other governments	339,830	985,925	1,325,755	-
Due to primary government	-	-	-	4,326,303
Compensated absences	1,000,000	-	1,000,000	-
Accrued workers compensation claims	1,000,000	-	1,000,000	114,475
Accrued general liability claims	1,100,000	-	1,100,000	140,292
Deferred revenue	78,285,804	1,502,459	79,788,263	84,208,621
Long-term debt maturities due within one year	3,560,000	-	3,560,000	13,530,000
Long-term liabilities:				
Compensated absences	5,899,733	-	5,899,733	1,249,609
Accrued workers compensation claims	998,875	-	998,875	232,300
Accrued general liability claims	2,516,798	-	2,516,798	1,606,242
Long-term debt maturities due in more than one year	69,190,000	-	69,190,000	83,035,604
Total Liabilities	176,074,920	8,818,072	184,892,992	200,923,156
NET ASSETS				
Investment in capital assets, net of related debt	103,036,562	2,556,498	105,593,060	749,957,272
Restricted for				
Capital projects	22,290,355	-	22,290,355	-
Debt service	7,680,784	-	7,680,784	6,516,460
Long-term receivables (Block Grants)	6,106,858	-	6,106,858	-
Revenue Sharing Reserve Fund	28,702,563	-	28,702,563	-
Mental Health risk reserve	-	6,354,358	6,354,358	-
Unrestricted	88,023,830	85,158,562	173,182,392	98,833,861
Total Net Assets	\$ 255,840,952	\$ 94,069,418	\$ 349,910,370	\$ 855,307,593

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Activities
For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Legislative	1,958,277	-	-	-	(1,958,277)
Judicial	32,738,381	6,060,009	7,372,554	-	(19,305,818)
General government	47,040,467	18,438,851	129,964	-	(28,471,652)
Public safety	60,512,543	8,812,186	4,175,824	-	(47,524,533)
Public works	2,133,523	-	-	-	(2,133,523)
Health and welfare	71,578,296	12,821,291	38,453,145	-	(20,303,860)
Recreation and culture	2,982,626	309,109	58,583	3,197,973	583,039
Other activities	2,374,350	-	-	-	(2,374,350)
Interest and fees on long-term debt	3,423,082	-	-	-	(3,423,082)
Total governmental activities	224,741,545	46,441,446	50,190,070	3,197,973	(124,912,056)
Business-type activities					
Delinquent tax collections	865,989	7,464,814	-	-	6,598,825
Community Mental Health	138,754,364	97,609,297	35,444,936	-	(5,700,131)
Martha T. Berry Medical Care Facility	19,025,813	13,365,807	357,944	-	(5,302,062)
Freedom Hill Park	1,130,182	241,647	-	-	(888,535)
Total business-type activities	159,776,348	118,681,565	35,802,880	-	(5,291,903)
Total primary government	\$ 384,517,893	\$ 165,123,011	\$ 85,992,950	\$ 3,197,973	\$ (130,203,959)
Component Units					
Public Works	15,092,321	10,539,116	-	-	(4,553,205)
Road Commission	64,189,310	11,521,155	-	86,412,881	33,744,726
Workforce Development Board	17,397,372	-	17,397,372	-	-
Hospital Finance Authority	8,609	16,254	-	-	7,645
Total component units	\$ 96,687,612	\$ 22,076,525	\$ 17,397,372	\$ 86,412,881	\$ 29,199,166

MACOMB COUNTY, MICHIGAN
Government-Wide Statement of Activities
For the Year Ended December 31, 2004

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Changes in net assets				
Net (expense) revenue (from page B-2)	\$ (124,912,056)	\$ (5,291,903)	\$ (130,203,959)	\$ 29,199,166
General revenues:				
Property tax	145,946,433	-	145,946,433	-
Intergovernmental revenues	8,260,654	-	8,260,654	-
Investment earnings	3,432,645	1,052,437	4,485,082	3,169,145
Transfers - internal activities	(1,974,217)	2,655,143	680,926	-
 Total general revenues and transfers	 155,665,515	 3,707,580	 159,373,095	 3,169,145
Change in net assets	30,753,459	(1,584,323)	29,169,136	32,368,311
Net assets, beginning of year	225,087,493	95,653,741	320,741,234	822,939,282
Net assets, end of year	<u>\$ 255,840,952</u>	<u>\$ 94,069,418</u>	<u>\$ 349,910,370</u>	<u>\$ 855,307,593</u>

The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Balance Sheet - Governmental Funds
December 31, 2004

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Revenue Sharing Reserve Fund		
Assets				
Cash and pooled investments	\$ 60,165,592	\$ -	\$ 58,570,691	\$ 118,736,283
Taxes receivable	63,820,051	37,772,742	140,259	101,733,052
Accrued interest receivable	1,002,835	-	66,237	1,069,072
Accounts receivable, net	902,526	-	8,813,691	9,716,217
Due from other governments	2,971,724	-	2,715,684	5,687,408
Due from governmental funds	9,433,616	-	15,965	9,449,581
Due from business-type units	2,899,280	-	389	2,899,669
Due from fiduciary funds	2,104,494	-	427	2,104,921
Due from component units	4,326,303	-	-	4,326,303
Advances to other funds	300,000	-	30,000	330,000
Other assets	8,180	-	613,110	621,290
Total Assets	\$ 147,934,601	\$ 37,772,742	\$ 70,966,453	\$ 256,673,796
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 5,170,711	\$ -	\$ 3,849,784	\$ 9,020,495
Accrued liabilities	-	-	1,732,047	1,732,047
Accrued compensation and benefits	73,994	-	17,392	91,386
Due to other governments	98,434	-	236,723	335,157
Due to governmental funds	15,965	9,070,179	363,437	9,449,581
Due to business-type units	2,485,695	-	96	2,485,791
Due to fiduciary funds	1,026	-	-	1,026
Deferred revenue	77,350,097	-	935,707	78,285,804
Total Liabilities	85,195,922	9,070,179	7,135,186	101,401,287
Fund Balances				
Reserved				
Debt service	-	-	7,680,784	7,680,784
Revenue sharing	-	28,702,563	-	28,702,563
Advances to other funds	300,000	-	30,000	330,000
Long-term receivables	-	-	6,106,858	6,106,858
Capital projects	-	-	22,290,355	22,290,355
Unreserved				
Designated				
Subsequent year budget	35,869,264	-	-	35,869,264
Capital projects	-	-	18,181,044	18,181,044
Programs - special projects	-	-	-	-
General fund	1,149,977	-	-	1,149,977
Special revenue funds	-	-	2,836,775	2,836,775
Undesignated				
General fund	25,419,438	-	-	25,419,438
Special revenue funds	-	-	6,705,451	6,705,451
Total Fund Balances	62,738,679	28,702,563	63,831,267	155,272,509
Total Liabilities and Fund Balances	\$ 147,934,601	\$ 37,772,742	\$ 70,966,453	\$ 256,673,796

**MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE FUND BALANCES ON THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS OF GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2004**

Total fund balances for governmental funds	\$ 155,272,509
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Amounts reported for governmental activities in the Government-Wide Statement of Net Assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives.

Capital assets	
Land	9,233,484
Land improvements	4,984,358
Buildings and improvements	167,654,084
Machinery, equipment and vehicles	38,225,694
Construction in progress	13,475,219
Accumulated depreciation	(76,836,110)

Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. However, bonded debt is recorded as long-term liabilities in the Government-Wide Statement of Net Assets. (See Note 4)

Bonds issued in prior years	(56,385,000)
Bonds issued during the current year	(19,350,000)
Bond principal repayments	2,985,000

Accrued interest payable on long-term debt at year-end is not recorded in the governmental funds, but is recorded as a liability in the Statement of Net Assets	(628,837)
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Accrued compensated absences not funded at year-end are not recorded in the governmental funds, but is recorded as a liability in the Statement of Net Assets	(345,158)
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Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation and central inventory to individual governmental funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-Wide Statement of Net Assets	17,555,709
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Net assets of governmental activities reported in the Government-Wide Statement of Net Assets	<u>\$ 255,840,952</u>
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The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2004

	Major Funds		Nonmajor	Total
	General Fund	Revenue Sharing Reserve Fund	Governmental Funds	Governmental Funds
Revenues				
Taxes	\$ 108,024,702	\$ 37,772,742	\$ 148,989	\$ 145,946,433
Licenses and permits	397,172	-	689,881	1,087,053
Federal & State grants	14,756,398	-	46,885,299	61,641,697
Other grants	-	-	7,000	7,000
Charges for services	26,754,510	-	15,203,154	41,957,664
Investment income	2,564,527	-	868,118	3,432,645
Charges to other funds for administrative services	10,516,996	-	-	10,516,996
Fines and forfeitures	1,058,973	-	922,482	1,981,455
Other revenue	206,739	-	1,208,535	1,415,274
Total Revenues	164,280,017	37,772,742	65,933,458	267,986,217
Expenditures				
Current				
Legislative	1,958,277	-	-	1,958,277
Judicial	19,451,435	-	11,939,562	31,390,997
General government	48,848,120	-	722,132	49,570,252
Public safety	51,927,325	-	6,366,209	58,293,534
Public works	-	-	2,133,523	2,133,523
Health and welfare	775,974	-	69,071,843	69,847,817
Recreation and cultural	-	-	2,909,486	2,909,486
Other	4,732,839	-	-	4,732,839
Capital outlay	722,119	-	29,207,986	29,930,105
Debt service				
Principal	-	-	2,985,000	2,985,000
Interest and fees	-	-	2,733,457	2,733,457
Bond issue costs	-	-	220,481	220,481
Total Expenditures	128,416,089	-	128,289,679	256,705,768
Excess of Revenues over (under) Expenditures	35,863,928	37,772,742	(62,356,221)	11,280,449
Other financing sources (uses)				
Issuance of debt	-	-	19,350,000	19,350,000
Transfers in	19,668,740	-	57,122,541	76,791,281
Transfers out	(58,307,955)	(9,070,179)	(11,797,975)	(79,176,109)
Bond discounts	-	-	(171,581)	(171,581)
Total other financing sources (uses)	(38,639,215)	(9,070,179)	64,502,985	16,793,591
Net change in fund balances	(2,775,287)	28,702,563	2,146,764	28,074,040
Fund Balances, beginning of year	65,513,966	-	61,684,503	127,198,469
Fund Balances, end of year	\$ 62,738,679	\$ 28,702,563	\$ 63,831,267	\$ 155,272,509

MACOMB COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds \$ 28,074,040

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives.

Expenditures for capital assets	29,930,105
Expenditures reported as capital outlay but not capitalized	(1,268,676)
Current year depreciation expense	(7,797,582)
Loss on disposal of assets	(137,741)

Repayment of debt principal is recorded as an expenditure in the governmental funds, but is recorded as a reduction of long-term liabilities in the Statement of Net Assets. (See Note 4)	2,985,000
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The proceeds received as a result of issuing of bonds are recorded as revenue in the governmental funds, but are recorded as increases in long-term liabilities in the Statement of Net Assets. (See Note 4)	(19,350,000)
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Bond discounts are recorded as reductions of financial resources in the governmental funds at the time the bonds are issued. However, they are capitalized and allocated over the life of the bonds as amortization expense in Statement of Activities.

Current year amortization	(220,636)
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The change in amount of accrued compensated absences not recorded in the governmental funds but is recorded as an operating expense in the Government-Wide Statement of Activities.	(345,158)
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The change in amount of accrued interest payable is not recorded in the governmental funds, but is recorded as interest expense in the Government-Wide Statement of Activities.	(76,927)
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Internal service funds are used by management to charge the costs of certain activities such as insurance, compensated absences, workers' compensation and central inventory to individual governmental funds. The net income (loss) attributable to those funds is reported with governmental activities	(1,038,966)
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Change in net assets of governmental activities reported in the Statement of Activities	<u><u>\$ 30,753,459</u></u>
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The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2004

	Major Business-Type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
ASSETS			
Current assets			
Cash and pooled investments	\$ 62,575,452	\$ -	\$ 150
Receivables:			
Property taxes	12,552,799	-	-
Accrued interest	304,347	-	-
Trade accounts, net	2,788,879	2,997,770	2,830,092
Inventories	-	-	-
Due from other governments	178,404	8,548,884	-
Due from governmental funds	2,485,791	-	-
Due from business-type units	-	-	-
Due from fiduciary funds	4,743,407	-	-
Other assets	-	3,142,974	82,843
Total current assets	85,629,079	14,689,628	2,913,085
Noncurrent assets			
Capital assets, net:			
Assets being depreciated	-	53,942	1,380,157
Assets not being depreciated	-	-	-
Total noncurrent assets	-	53,942	1,380,157
Total Assets	85,629,079	14,743,570	4,293,242
LIABILITIES			
Current liabilities			
Accounts payable	222,973	5,477,821	476,173
Accrued wages payable	236	-	24,361
Due to other governments	504,375	481,550	-
Due to governmental funds	100,321	787,564	2,111,716
Due to fiduciary funds	104,140	-	-
Compensated absences	-	-	-
Claims and judgements	-	-	-
Deferred revenue	-	1,502,459	-
Total current liabilities	932,045	8,249,394	2,612,250
Noncurrent liabilities			
Claims and judgements	-	-	-
Compensated absences and accrued wages payable	-	-	-
Advances from other funds	-	-	-
Total noncurrent liabilities	-	-	-
Total Liabilities	932,045	8,249,394	2,612,250
NET ASSETS			
Investment in capital assets, net of related debt	-	53,942	1,380,157
Restricted	-	6,354,358	-
Unrestricted	84,697,034	85,876	300,835
Total Net Assets	\$ 84,697,034	\$ 6,494,176	\$ 1,680,992

MACOMB COUNTY, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2004

	Major Business-Type Activities - Enterprise Funds		Governmental Activities-
	Freedom Hill		Internal
	Park	Totals	Service Funds
ASSETS			
Current assets			
Cash and pooled investments	\$ 78,062	\$ 62,653,664	\$ 28,741,008
Receivables:			
Property taxes	-	12,552,799	-
Accrued interest	-	304,347	-
Trade accounts, net	20,739	8,637,480	24,552
Inventories	-	-	339,593
Due from other governments	-	8,727,288	321,895
Due from governmental funds	-	2,485,791	-
Due from business-type units	-	-	99,932
Due from fiduciary funds	-	4,743,407	8,156
Other assets	-	3,225,817	435,745
Total current assets	98,801	103,330,593	29,970,881
Noncurrent assets			
Capital assets, net:			
Assets being depreciated	1,029,140	2,463,239	799,834
Assets not being depreciated	93,259	93,259	-
Total noncurrent assets	1,122,399	2,556,498	799,834
Total Assets	1,221,200	105,887,091	30,770,715
LIABILITIES			
Current liabilities			
Accounts payable	23,089	6,200,056	709,976
Accrued wages payable	895	25,492	109
Due to other governments	-	985,925	4,673
Due to governmental funds	-	2,999,601	-
Due to fiduciary funds	-	104,140	-
Compensated absences	-	-	1,000,000
Claims and judgements	-	-	2,100,000
Deferred revenue	-	1,502,459	-
Total current liabilities	23,984	11,817,673	3,814,758
Noncurrent liabilities			
Claims and judgements	-	-	3,515,673
Compensated absences and accrued wages payable	-	-	5,554,575
Advances from other funds	-	-	330,000
Total noncurrent liabilities	-	-	9,400,248
Total Liabilities	23,984	11,817,673	13,215,006
NET ASSETS			
Investment in capital assets, net of related debt	1,122,399	2,556,498	799,834
Restricted	-	6,354,358	-
Unrestricted	74,817	85,158,562	16,755,875
Total Net Assets	\$ 1,197,216	\$ 94,069,418	\$ 17,555,709

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2004

Major Business-Type Activities - Enterprise Funds

	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
Operating Revenues			
Charges for services	\$ 7,464,814	\$ 97,577,176	\$ 13,365,807
Federal and state grants	-	35,444,936	-
Other	-	32,121	357,944
Total operating revenues	7,464,814	133,054,233	13,723,751
Operating Expenses			
Personal services	320,273	20,329,683	12,405,878
Contractual services	-	111,662,322	2,594,871
Utilities	-	326,090	645,112
Repairs and maintenance	-	30,195	202,867
Benefits and claims expenses	-	-	-
Supplies and services	545,716	6,388,040	2,997,567
Depreciation	-	18,034	179,518
Total Operating Expenses	865,989	138,754,364	19,025,813
Operating Income (Loss)	6,598,825	(5,700,131)	(5,302,062)
Nonoperating revenues			
Investment income	933,948	118,489	-
Total Nonoperating Revenues	933,948	118,489	-
Income before Transfers	7,532,773	(5,581,642)	(5,302,062)
Transfers			
Transfers in	-	5,727,373	4,651,829
Transfers out	(8,655,000)	-	-
Other (See note 5)	-	-	-
Net Transfers	(8,655,000)	5,727,373	4,651,829
Increase (decrease) in net assets	(1,122,227)	145,731	(650,233)
Net assets, beginning of year	85,819,261	6,348,445	2,331,225
Net assets, end of year	\$ 84,697,034	\$ 6,494,176	\$ 1,680,992

MACOMB COUNTY, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2004

	Major Business-Type Activities - Enterprise Funds		Governmental Activities-
	Freedom Hill		Internal
	Park	Totals	Service Funds
Operating Revenues			
Charges for services	\$ 241,647	\$ 118,649,444	\$ 8,340,108
Federal and state grants	-	35,444,936	-
Other	-	390,065	-
Total operating revenues	241,647	154,484,445	8,340,108
Operating Expenses			
Personal services	702,417	33,758,251	66,457
Contractual services	5,194	114,262,387	-
Utilities	136,810	1,108,012	1,859,548
Repairs and maintenance	89,107	322,169	-
Benefits and claims expenses	-	-	4,401,450
Supplies and services	145,801	10,077,124	3,176,824
Depreciation	50,853	248,405	378,665
Total Operating Expenses	1,130,182	159,776,348	9,882,944
Operating Income (Loss)	(888,535)	(5,291,903)	(1,542,836)
Nonoperating revenues			
Investment income	-	1,052,437	-
Total Nonoperating Revenues	-	1,052,437	-
Income before Transfers	(888,535)	(4,239,466)	(1,542,836)
Transfers			
Transfers in	837,682	11,216,884	503,870
Transfers out	-	(8,655,000)	-
Other (See note 5)	93,259	93,259	-
Net Transfers	930,941	2,655,143	503,870
Increase (decrease) in net assets	42,406	(1,584,323)	(1,038,966)
Net assets, beginning of year	1,154,810	95,653,741	18,594,675
Net assets, end of year	\$ 1,197,216	\$ 94,069,418	\$ 17,555,709

MACOMB COUNTY, MICHIGAN
Combining Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2004

	Major Business-type Activities - Enterprise Funds		
	Delinquent Tax Revolving	Community Mental Health	Martha T Berry Medical Care Facility
Cash Flows from Operating Activities			
Cash received from customers	\$ 10,127,896	\$ 141,678,985	\$ 13,840,251
Cash received from (paid for) interfund services	(2,003,499)	(4,709,324)	251,367
Cash payments to employees	(320,273)	(20,329,683)	(12,404,391)
Cash payments to suppliers	(323,738)	(122,459,852)	(6,227,155)
Net cash provided by (used in) Operating Activities	7,480,386	(5,819,874)	(4,539,928)
Cash Flows From Noncapital Financing Activities			
Transfers in	-	5,727,373	4,651,829
Transfers out	(8,655,000)	-	-
Net cash provided by (used in) Noncapital Financing Activities	(8,655,000)	5,727,373	4,651,829
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of capital assets	-	-	-
Acquisition of capital assets	-	(25,988)	(111,901)
Net Cash used in Capital and Related Financing Activities	-	(25,988)	(111,901)
Cash Flows From Investing Activities			
Interest received on investments	811,997	118,489	-
Net cash provided by Investing Activities	811,997	118,489	-
Increase (decrease) in cash and short-term investments	(362,617)	-	-
Cash and cash equivalents, beginning of year	62,938,069	-	150
Cash and cash equivalents, end of year	\$ 62,575,452	\$ -	\$ 150
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 6,598,825	\$ (5,700,131)	\$ (5,302,062)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	-	18,034	179,518
Decrease in taxes receivable	10,073,133	-	-
Decrease (increase) in accounts receivable	(427,608)	1,472,084	116,500
Increase in inventory	-	-	-
Decrease (increase) in amounts due from other governments	102	7,036,423	-
Increase in amounts due from other funds	(1,403,499)	-	-
Decrease in other assets	228,388	2,082,341	-
Increase (decrease) in accounts payable	221,978	(5,521,475)	37,112
Increase (decrease) in accrued employee benefits	-	-	1,487
Decrease in amounts due to other governments	(7,210,933)	(3,416,149)	-
Increase (decrease) in amounts due to other funds	(600,000)	(3,241,054)	427,517
Increase in deferred revenue	-	1,450,053	-
Increase in accrued claims and judgements	-	-	-
Net cash provided by (used in) Operating Activities	\$ 7,480,386	\$ (5,819,874)	\$ (4,539,928)

MACOMB COUNTY, MICHIGAN
Combining Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2004

	Major Business-type Activities - Enterprise Funds		Governmental Activities
	Freedom Hill		Internal
	Park	Totals	Service Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 239,463	\$ 165,886,595	\$ 133,886
Cash received from (paid for) interfund services	(19,076)	(6,480,532)	8,158,672
Cash payments to employees	(702,434)	(33,756,781)	(945,899)
Cash payments to suppliers	(347,647)	(129,358,392)	(7,515,952)
Net cash provided by (used in) Operating Activities	(829,694)	(3,709,110)	(169,293)
Cash Flows From Noncapital Financing Activities			
Transfers in	930,941	11,310,143	503,870
Transfers out	-	(8,655,000)	-
Net cash provided by (used in) Noncapital Financing Activities	930,941	2,655,143	503,870
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of capital assets	-	-	1,029
Acquisition of capital assets	(93,259)	(231,148)	(240,534)
Net Cash used in Capital and Related Financing Activities	(93,259)	(231,148)	(239,505)
Cash Flows From Investing Activities			
Interest received on investments	-	930,486	-
Net cash provided by Investing Activities	-	930,486	-
Increase (decrease) in cash and short-term investments	7,988	(354,629)	95,072
Cash and cash equivalents, beginning of year	70,074	63,008,293	28,645,936
Cash and cash equivalents, end of year	\$ 78,062	\$ 62,653,664	\$ 28,741,008
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (888,535)	\$ (5,291,903)	\$ (1,542,836)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	50,853	248,405	378,665
Decrease in taxes receivable	-	10,073,133	-
Decrease (increase) in accounts receivable	(2,184)	1,158,792	46,033
Increase in inventory	-	-	(49,542)
Decrease (increase) in amounts due from other governments	-	7,036,525	(102,566)
Increase in amounts due from other funds	-	(1,403,499)	-
Decrease in other assets	-	2,310,729	10,100
Increase (decrease) in accounts payable	10,189	(5,252,196)	327,359
Increase (decrease) in accrued employee benefits	(17)	1,470	25,726
Decrease in amounts due to other governments	-	(10,627,082)	(14,989)
Increase (decrease) in amounts due to other funds	-	(3,413,537)	-
Decrease in deferred revenue	-	1,450,053	-
Increase in accrued claims and judgements	-	-	752,757
Net cash provided by (used in) Operating Activities	\$ (829,694)	\$ (3,709,110)	\$ (169,293)

MACOMB COUNTY, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	Employee Retirement and Postretirement Health Care Benefits	Agency Funds
ASSETS		
Cash and pooled investments	\$ 17,180,603	\$ 19,904,727
Receivables		
Accrued interest	1,653,529	-
Other	322,185	3,238,731
	<hr/>	<hr/>
Total receivables	1,975,714	3,238,731
	<hr/>	<hr/>
Investments, at fair value		
US Government obligations	39,103,631	-
Corporate Bonds	41,551,095	-
Preferred Stock	44,182,875	-
Common Stock	262,624,378	-
Foreign Stock	99,523,452	-
Limited partnerships	16,592,245	-
Mutual funds	265,554,660	-
	<hr/>	<hr/>
Total investments	769,132,336	-
	<hr/>	<hr/>
Securities lending collateral	47,120,066	-
Due from governmental funds	1,026	-
Due from business-type units	-	104,140
Due from fiduciary funds	327,022	1,009,344
Other assets	-	12,121
	<hr/>	<hr/>
Total Assets	835,736,767	\$ 24,269,063
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	1,791,030	\$ 7,195,399
Accrued compensation and benefits	-	534,869
Deposits	-	6,580,311
Due to other governments	-	5,110,002
Due to governmental funds	2,113,077	-
Due to business-type units	-	4,743,407
Due to fiduciary funds	1,231,291	105,075
Obligations under securities lending	47,120,066	-
	<hr/>	<hr/>
Total Liabilities	52,255,464	\$ 24,269,063
	<hr/>	<hr/>
NET ASSETS		
Net assets held in trust for pension and other postemployment benefits	\$ 783,481,303	
	<hr/>	

MACOMB COUNTY, MICHIGAN
Statement of Changes In Fiduciary Net Assets
Fiduciary Funds
Year Ended December 31, 2004

	Employee Retirement and Postretirement Health Care Benefits
ADDITIONS	
Contributions	
Employer	\$ 17,251,701
Employee	5,833,580
	<hr/>
Total contributions	23,085,281
	<hr/>
Investment income	
Net appreciation in fair value of assets	65,213,607
Interest	6,261,367
Dividends	10,690,107
Securities lending	134,462
	<hr/>
	82,299,543
Less investment expenses	
Management and custodial fees	2,299,460
Securities lending agent fees	56,013
	<hr/>
Net investment income	79,944,070
	<hr/>
Total additions	103,029,351
	<hr/>
DEDUCTIONS	
Benefit payments	37,724,516
Refunds of contributions	205,225
Administrative expense	191,123
	<hr/>
Total deductions	38,120,864
	<hr/>
Net increase in net assets	64,908,487
	<hr/>
NET ASSETS	
Beginning of year	718,572,816
	<hr/>
End of year	\$ 783,481,303
	<hr/> <hr/>

MACOMB COUNTY, MICHIGAN
Combining Statement of Net Assets - Component Units
December 31, 2004

	Public Works (1)	Road Commission (1)	Workforce Development Board	Hospital Finance Authority	Total
ASSETS					
Cash and cash equivalents	\$ 51,553,686	\$ 48,291,015	\$ 99,459	\$ 7,645	\$ 99,951,805
Receivables:					
Accrued interest	52,041	202,691	-	-	254,732
Trade accounts, net	4,311,674	2,624,982	-	-	6,936,656
Special assessments	87,730,604	-	-	-	87,730,604
Inventories	-	3,178,334	-	-	3,178,334
Due from other governments	-	7,353,178	2,845,337	-	10,198,515
Surplus property	-	62,639	-	-	62,639
Capital assets, net:					
Assets being depreciated	164,011,096	509,945,073	-	-	673,956,169
Assets not being depreciated	4,624,297	167,942,410	-	-	172,566,707
Other assets	-	1,394,588	-	-	1,394,588
Total assets	312,283,398	740,994,910	2,944,796	7,645	1,056,230,749
LIABILITIES					
Accounts payable	\$ 5,108,730	\$ 6,917,280	63,345	-	12,089,355
Accrued wages payable	-	-	948	-	948
Accrued interest payable	389,407	-	-	-	389,407
Due to primary government	1,445,800	-	2,880,503	-	4,326,303
Accrued workers compensation claims	-	114,475	-	-	114,475
Accrued general liability claims	-	140,292	-	-	140,292
Deferred revenue	84,208,621	-	-	-	84,208,621
Long-term debt maturities due within one year	13,530,000	-	-	-	13,530,000
Long-term liabilities:					
Compensated absences	-	1,249,609	-	-	1,249,609
Accrued workers compensation claims	-	232,300	-	-	232,300
Accrued general liability claims	-	1,606,242	-	-	1,606,242
Long-term debt maturities due in more than one year	83,035,604	-	-	-	83,035,604
Total Liabilities	187,718,162	10,260,198	2,944,796	-	200,923,156
NET ASSETS					
Investment in capital assets, net of related debt	72,069,789	677,887,483	-	-	749,957,272
Restricted for					
Debt service	6,516,460	-	-	-	6,516,460
Unrestricted	45,978,987	52,847,229	-	7,645	98,833,861
Total Net Assets	\$ 124,565,236	\$ 730,734,712	\$ -	\$ 7,645	\$ 855,307,593

(1) - Year-end September 30, 2004

MACOMB COUNTY, MICHIGAN
Combining Statement of Activities - Component Units
For the Year Ended December 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public Works (1)					
Public works	\$ 12,213,225	\$ 10,539,116	\$ -	\$ -	\$ (1,674,109)
Interest on long-term debt	2,879,096	-	-	-	(2,879,096)
Total public works	15,092,321	10,539,116	-	-	(4,553,205)
Road Commission (1)					
Public works	64,189,310	11,521,155	-	86,412,881	33,744,726
Total Road Commission	64,189,310	11,521,155	-	86,412,881	33,744,726
Workforce Development Board					
Health and Welfare	17,397,372	-	17,397,372	-	-
Total Workforce Development Board	17,397,372	-	17,397,372	-	-
Hospital Finance Authority					
Health and Welfare	8,609	16,254	-	-	7,645
Total Workforce Development Board	8,609	16,254	-	-	7,645
Total Component Units	<u>\$ 96,687,612</u>	<u>\$ 22,076,525</u>	<u>\$ 17,397,372</u>	<u>\$ 86,412,881</u>	<u>\$ 29,199,166</u>

(1) - Year ended September 30, 2004

The accompanying notes are an integral part of these financial statements

MACOMB COUNTY, MICHIGAN
Combining Statement of Activities - Component Units
For the Year Ended December 31, 2004

	Public Works (1)	Road Commission (1)	Workforce Development Board	Hospital Finance Authority	Total
Changes in net assets					
Net (expense) revenue	\$ (4,553,205)	\$ 33,744,726	\$ -	\$ 7,645	\$ 29,199,166
General revenues:					
Investment earnings	2,610,390	558,755	-	-	3,169,145
Total general revenues, contributions and transfers	2,610,390	558,755	-	-	3,169,145
Change in net assets	(1,942,815)	34,303,481	-	7,645	32,368,311
Net assets, beginning of year (as restated) (2)	126,508,051	696,431,231	-	-	822,939,282
Net assets, end of year	<u>\$ 124,565,236</u>	<u>\$ 730,734,712</u>	<u>\$ -</u>	<u>\$ 7,645</u>	<u>\$ 855,307,593</u>

(1) - Year Ended September 30, 2004

(2) - Restatement of beginning net assets of the Road Commission. See Note 3.